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[Proposed] Attorneys for Debtors and Debtors in Possession

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION

In re:

DOYLE D. HEATON and
MARY K. HEATON,

Debtors.

Case No.: 10-40297 EDJ

Chapter 11

**SUPPLEMENTAL DECLARATION OF
STEVEN T. HUNTLEY IN SUPPORT
OF APPLICATION TO EMPLOY
HUNTLEY, MULLANEY, SPARGO &
SULLIVAN, LLC AS FINANCIAL
ADVISORS TO THE DEBTORS**

[No Hearing Required]

I, Steven T. Huntley, declare and state as follows:

1. I am a member at Huntley, Mullaney, Spargo & Sullivan, LLC ("HMSS"). HMSS currently maintains an office at 3001 Douglas Boulevard, Suite 330, Roseville, California 95661. I have been the HMSS representative principally responsible for advising the Debtors since 2008.

2. I make this supplemental declaration in further support of the *Application to Employ Huntley, Mullaney, Spargo & Sullivan, LLC as Financial Advisors to the Debtors* (the "Application"). The Application filed on January 12, 2010, seeks entry of an order authorizing the above-captioned debtors (the "Debtors") to retain and employ HMSS in this chapter 11 case, pursuant to the terms and conditions set forth in that certain engagement letter dated as of January 8, 2010 (the "Engagement Letter"), entered into by HMSS and the Debtors, a copy of which is attached to the Application as Exhibit B. Except as otherwise indicated, I have personal knowledge of the

1 matters set forth herein and, if called as a witness, would testify competently thereto.

2 3. The Engagement Letter provides in section 8 that the Debtors will indemnify HMSS
3 for certain losses, claims or damages arising from this engagement, except for such losses, claims or
4 damages that arise out of the gross negligence or willful misconduct of HMSS (the "Indemnity").

5 4. I understand that the Office of the United States Trustee has expressed an objection to
6 the Indemnity in the Engagement Letter. In order to address this objection, HMSS agrees that the
7 Indemnity shall be stricken from the Engagement Letter, and proposed form of order approving the
8 Application shall be revised to reflect this change.

9 5. I continue to believe that HMSS is eligible for employment by the Debtors pursuant
10 to Bankruptcy Code sections 327 and 328.

1 I declare under penalty of perjury that the foregoing is true and correct.

2 Executed this 14th day of January 2010, at San Ramon, California.

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5 /s/ Steven T. Huntley
6 Steven T. Huntley
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